

Financial Report

(Reviewed)

*Office of the
District Attorney of the
34th Judicial District*

Chalmette, Louisiana

For the year ended December 31, 2013

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December 31, 2013

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the District Attorney of the
34th Judicial District,
Chalmette, Louisiana.

We have reviewed the accompanying financial statements of the governmental activities, and the General Fund and Special Revenue Fund of the Office of the District Attorney of the 34th Judicial District (the "Office"), as of and for the year ended December 31, 2013, which collectively comprise the Office's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Office. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Office is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated June 25, 2013, on the results of our agreed-upon procedures.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3 through 6, and page 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us and we do not express an opinion or provide any assurance on it.

Bougeois Bennett, L.L.C.
Certified Public Accountants.

New Orleans, Louisiana,
June 25, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Office of the District Attorney of the 34th Judicial District

The Management's Discussion and Analysis of the Office of the District Attorney of the 34th Judicial District's (the "Office") financial performance presents a narrative overview and analysis of the Office's financial activities for the year ended December 31, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Office's assets exceeded its liabilities at the close of the fiscal year by \$2,679,449 (net assets), which represent a 3.94% increase from last year.

The Office's revenues increased \$3,079 (or 1.94%) principally due to an increase in commissions on fines.

The Office's expenses increased by \$2,545, which represent a 4.39% increase from last year.

The Office did not have any funds with deficit fund balances.

OVERVIEW OF THE FINANCIAL STATEMENT'S

This discussion and analysis is intended to serve as an introduction to the Office's basic financial statements. The Office's financial report consists of three parts: (1) management's discussion and analysis (this section), (2) basic financial statements, and (3) special reports by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Office:

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Office's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Office's assets and liabilities, with the difference between the two reported as the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating. The Statement of Activities presents information showing how the Office's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving

Government-wide Financial Statements (Continued)

rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Office has charge of every criminal prosecution by the state in its District.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Office are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Office maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Title IV-D Incentives Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Title IV-D Incentives Special Revenue Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 7 - 11 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Office's financial position. As of December 31, 2013, assets exceeded liabilities by \$2,679,449.

Condensed Statements of Net Position

	December 31,		Dollar
	2013	2012	Change
Current and other assets	\$ 2,668,249	\$ 2,565,994	\$ 102,255
Capital assets	11,200	11,800	(600)
Total assets	2,679,449	2,577,794	101,655
Current liabilities	-	-	-
Net position:			
Invested in capital assets	11,200	11,800	(600)
Unrestricted	2,668,249	2,565,994	102,255
Total net position	\$ 2,679,449	\$ 2,577,794	\$ 101,655

Governmental Activities

Governmental activities increased the Office's net assets by \$101,655. Key elements of this increase are:

Condensed Statements of Activities

	December 31,		Dollar	Total %
	2013	2012	Change	Change
Revenues:				
Commission of fines	\$ 79,396	\$ 67,756	\$ 11,640	17.18
Acts 834 and 293	67,419	71,620	(4,201)	(5.87)
Interest income	2,692	7,049	(4,357)	(61.81)
Miscellaneous	12,653	12,656	(3)	(0.02)
Total revenues	162,160	159,081	3,079	1.94
Expenses:				
General and governmental and other	60,505	57,960	2,545	4.39
Increase in net position	101,655	101,121	534	0.53
Net position beginning of year	2,577,794	2,476,673	101,121	4.08
Net position end of year	\$ 2,679,449	\$ 2,577,794	\$ 101,655	3.94

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Office's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Office's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. As of the end of the current year, the Office's governmental funds reported a combined ending fund balance of \$2,668,249, an increase of \$102,255 in comparison with the prior year that is available for spending at the Office's discretion.

The General Fund is the chief operating fund of the Office. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,538,613. Office's General Fund balance increased by \$102,198 during the current fiscal year.

General Fund Budgetary Highlights

The Office adopted a budget during the year and amended the budget once during the year.

During the year, revenues were in excess of budgetary estimates by approximately \$1,300 and expenditures were lower than budgetary estimates by approximately \$16,500.

CAPITAL ASSETS

The Office's investment in capital assets for its governmental activities as of December 31, 2013, amounts to \$11,200 (net of accumulated depreciation). This investment in capital assets includes facility improvements.

	<u>2013</u>	<u>2012</u>
Facility improvements	<u>\$ 11,200</u>	<u>\$ 11,800</u>

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Office's finances for all those with an interest in the Office's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to John F. Rowley, District Attorney, Office of the District Attorney of the 34th Judicial District, Parish of St. Bernard, Post Office Box 947, Chalmette, LA 70044-0947.

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET

Office of the District Attorney of the 34th Judicial District

December 31, 2013

(See Independent Accountant's Review Report)

	General Fund	Title IV - D Incentives Special Revenue	Total	Adjustments (Exhibit B)	Statement of Net Position
Assets					
Cash and cash equivalents	\$ 1,648,170	\$ 129,636	\$ 1,777,806	\$ -	\$ 1,777,806
Investments	882,038	-	882,038	-	882,038
Due from other governmental entities:					
St. Bernard Parish Sheriff's					
Department Tax Collection					
and Civil Section:					
Commission on fines	2,425	-	2,425	-	2,425
Bond premium fee	3,149	-	3,149	-	3,149
Court costs	1,050	-	1,050	-	1,050
Other	930	-	930	-	930
Accrued interest	851	-	851	-	851
Capital assets, net of accumulated depreciation	-	-	-	11,200	11,200
Total assets	\$ 2,538,613	\$ 129,636	\$ 2,668,249	\$ 11,200	2,679,449
Fund Balances/Net Position					
Fund balance - assigned	\$ -	\$ 129,636	\$ 129,636	\$ (129,636)	-
Fund balance - unassigned	2,538,613	-	2,538,613	(2,538,613)	-
Total fund balances	\$ 2,538,613	\$ 129,636	\$ 2,668,249	(2,668,249)	-
Net position:					
Net invested in capital assets				11,200	11,200
Unrestricted				2,668,249	2,668,249
Total net position				\$ 2,679,449	\$ 2,679,449

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Office of the District Attorney of the 34th Judicial District

December 31, 2013

(See Independent Accountant's Review Report)

Fund Balance - Governmental Fund		\$ 2,668,249
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 12,000	
Less accumulated depreciation	<u>(800)</u>	<u>11,200</u>
Net Position of Governmental Activities		<u>\$ 2,679,449</u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT
OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

Office of the District Attorney of the 34th Judicial District

For the year ended December 31, 2013

(See Independent Accountant's Review Report)

	General Fund	Title IV-D Incentives Special Revenue	Total	Adjustments (Exhibit D)	Statement of Activities
Revenues					
Bond premium fee -					
Act 834 of 1993	\$ 53,044	\$ -	\$ 53,044	\$ -	\$ 53,044
Commissions on fines	79,396	-	79,396	-	79,396
Court costs - Act 293 of 1986	14,375	-	14,375	-	14,375
Court case settlement fees	-	-	-	-	-
Interest income	2,508	184	2,692	-	2,692
Miscellaneous income	12,653	-	12,653	-	12,653
Total revenues	161,976	184	162,160	-	162,160
Expenditures					
Current:					
General government:					
Personal services	48,350	-	48,350	-	48,350
Other services and charges	7,262	127	7,389	-	7,389
Other	4,166	-	4,166	-	4,166
Depreciation	-	-	-	600	600
Total general government	59,778	127	59,905	600	60,505
Capital outlay	-	-	-	-	-
Total expenditures/ expenses	59,778	127	59,905	\$ 600	60,505
Excess of Revenues Over Expenditures	102,198	57	102,255	\$ (102,255)	-
Change in Net Position	-	-	-	101,655	101,655
Fund Balances/Net Position					
Beginning of year	2,436,415	129,579	2,565,994	11,800	2,577,794
End of year	\$ 2,538,613	\$ 129,636	\$ 2,668,249	\$ 11,200	\$ 2,679,449

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES**

Office of the District Attorney of the 34th Judicial District

For the year ended December 31, 2013

(See Independent Accountant's Review Report)

Net Change in Fund Balances - Governmental Fund	\$ 102,255
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Depreciation expense	<div style="border-top: 1px solid black; display: inline-block;">(600)</div>
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Change in Net Position of Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ 101,655</div>
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See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND**

Office of the District Attorney of the 34th Judicial District

For the year ended December 31, 2013

(See Independent Accountant's Review Report)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>With Final Budget Favorable (Unfavorable)</u>
Revenues				
Bond premium fee - Act 834 of 1993	\$ 56,000	\$ 53,000	\$ 53,044	\$ 44
Commissions on fines	31,000	77,500	79,396	1,896
Court costs - Act 293 of 1986	18,000	14,300	14,375	75
Interest and miscellaneous income	15,400	16,050	15,345	(705)
Total revenues	120,400	160,850	162,160	1,310
Expenditures				
Current:				
General government:				
Personal services	44,000	48,500	48,350	150
Other services and charges	6,900	7,900	7,389	511
Other	69,000	20,000	4,166	15,834
Total general government	119,900	76,400	59,905	16,495
Capital outlay	-	-	-	-
Total expenditures/expenses	119,900	76,400	59,905	16,495
Excess of Revenues Over Expenditures	500	84,450	102,255	17,805
Fund Balance				
Beginning of year	2,565,994	2,565,994	2,565,994	-
End of year	\$ 2,566,494	\$ 2,650,444	\$ 2,668,249	\$ 17,805

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Office of the District Attorney of the 34th Judicial District**

December 31, 2013

(See Independent Accountant's Review Report)

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the State in his District, is the representative of the State before the grand jury in his district, and is the legal advisor to the grand jury. The District Attorney performs other duties as provided by law and is elected by the qualified electors of the judicial district for a term of six years. The judicial district encompasses the parish of St. Bernard, Louisiana.

The accounting policies of the Office of the District Attorney of the 34th Judicial District (the "Office") conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a. Reporting Entity

The Office has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

The District Attorney is an independently elected official and is not considered fiscally dependent on the St. Bernard Parish Council (the "Council"). As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for the St. Bernard Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Bernard Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Council to impose its will on that organization and/or,
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council.
2. Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Council does not appoint the District Attorney, does not provide funding (other than the use of facilities), or have any control over the District Attorney, the District Attorney has determined that the Office is not a component unit of the St. Bernard Parish Council. The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of St. Bernard Parish.

b. Basis of Presentation

The Office's basic financial statements consist of the government-wide statements on all activities of the Office and the governmental fund financial statements (individual major funds).

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Office. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities for the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements:

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. Emphasis is now on major funds in governmental categories. The daily accounts and operations of the Office continue to be organized on the basis of a fund and accounts group, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of the Office:

General Fund - The General Fund is the general operating fund of the Office. The General fund accounts for all financial resources except those required to be accounted for in other funds. The General Fund is always a major fund. The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that a percentage of the fines collected and bonds forfeited within the judicial district be transmitted to the District Attorney to defray the necessary expenses of the Office.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Special Revenue Funds reported as major funds in the fund financial statements are as follows:

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Fund Financial Statements: (Continued)

Special Revenue Funds - (Continued)

Title IV-D Incentives Special Revenue Fund - The Title IV-D Incentives Special Revenue Fund consists of incentive payments from the Louisiana Department of Health and Hospitals, as authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the program is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support. The contract for Title IV-D Incentive Funds was canceled in 1991 and was not renewed as of December 31, 2013.

c. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements: (Continued)

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose, the Office considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Commissions on fines, Act 293 court costs, Act 834 bond premium fees, Act 52 bond forfeitures, and income from forfeitures of assets seized in illegal drug activity, and Title IV-D incentive payments are recorded in the year they are earned. Interest on investments is recorded when earned. Any interest not received at year end is accrued as a receivable. Other revenues are recognized when received.

Interest income on cash balances is recorded when the income is available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

d. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

e. Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the District Attorney adopted a budget for the General Fund and Special Revenue Fund. The budgetary practices include public notice of the proposed budget, public inspection, and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Operating Budgetary Data (Continued)

approved by the District Attorney. The Office's budget was amended one time during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

The General Fund and Special Revenue Fund budget is adopted on a cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

f. Investments

Investments consist of certificates of deposits stated at cost, which approximates market value.

g. Accounts Receivable

The basic financial statements of the Office contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available, which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operation of the funds.

h. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

Government-wide Financial Statements: (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Leasehold improvements	20 years
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Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

i. Vacation and Sick Leave

The Office does not have a formal vacation and sick leave policy.

j. Fund Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets".

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity (Continued)

Government-wide Statements: (Continued)

When both restricted and unrestricted resources are available for use, it is the Office's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2013 and for the year then ended, the Office did not have or receive restricted net assets.

Fund Financial Statements:

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. There was no nonspendable equity as of December 31, 2013.

Restricted - amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments. There was no restricted equity as of December 31, 2013.

Committed - amounts that can be used only for specific purposes determined by a formal decision of the Office. There was no committed equity as of December 31, 2013.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for a specific purpose.

Unassigned - all other spendable amounts.

Note 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Fund Equity (Continued)

Fund Financial Statements: (Continued)

For classification of Governmental Fund balances, the Office considers an expenditure to be made from the most restrictive first when more than one classification is available. The Office's fund balance as of December 31, 2013 totaled \$2,668,249 of which \$2,538,613 was classified as unassigned and \$129,636 was classified as assigned.

k. New GASB Statement

During the year ending December 31, 2013, the Office implemented the following GASB Statement:

Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflow of resources, and net position in a statement of financial position and related disclosures.

l. Subsequent Events

The Office evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through June 25, 2014, which is the date the financial statements were available to be issued.

Note 2 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits:

State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year-end bank balances are as follows:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	\$ 1,791,132	\$ 1,777,806
Investments:		
Certificates of deposit	<u>882,038</u>	<u>882,038</u>
Totals	<u><u>\$ 2,673,170</u></u>	<u><u>\$ 2,659,844</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the Office's deposits may not be returned to it. The Office has a written policy for custodial credit risk. As of December 31, 2013, approximately \$1,923,000 of the Office's bank balances of approximately \$2,673,000 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Office's name.

As of December 31, 2013, cash and certificates of deposit were adequately collateralized by securities held by unaffiliated banks for the account of the Office. GASB considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Capital assets being depreciated:				
Facility improvements	\$ 12,000	\$ -	\$ -	\$ 12,000
Less accumulated depreciation for:				
Leasehold improvements	(200)	(600)	-	(800)
 Total capital assets, net	 <u>\$ 11,800</u>	 <u>\$ (600)</u>	 <u>\$ -</u>	 <u>\$ 11,200</u>

These amounts are based on a physical inventory of capital assets.

Note 4 - POST-EMPLOYMENT BENEFITS

The District Attorney does not offer post-retirement benefits to its employees.

Note 5 - PENSION PLANS

All individuals who work at the District Attorney's offices are paid by the St. Bernard Parish Government and are consequently members of the Parochial Employees Retirement System of Louisiana, a multiple-employer, public employee retirement system ("PERS"), which is controlled and administered by a separate board of trustees. The District Attorney is a member of the Louisiana District Attorneys' Retirement System, a multi-employer cost-defined sharing, and benefit pension plan. GASB requires certain disclosure for employers who maintain retirement plans for their employees, both retirement systems mentioned above present the required retirement plan information in separately issued financial statements. Both retirement plans mentioned above are administered and controlled by separate boards of trustees.

The Louisiana's District Attorneys' Retirement System's annual financial report includes financial statements and required supplementary information for the System. That report may be obtained by writing the Louisiana District Attorneys' Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

Note 5 - PENSION PLANS (Continued)

The Public Retirement System Actuarial Committee has recommended that the employee and employer contributions for the District Attorneys' Retirement System be set at 8.00% and 10.25%, respectively, for the fiscal year July 1, 2012 through June 30, 2013 and 8.00% and 9.75% respectively, for the fiscal year July 1, 2013 through June 30, 2014.

Note 6 - RISK MANAGEMENT

The Office is insured against various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters through the St. Bernard Parish Government's self insurance fund.

Note 7 - EXPENDITURES NOT INCLUDED IN ACCOMPANYING FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenditures of the Office which are paid out of the funds of the St. Bernard Parish Government. These expenditures include salaries, insurance, telephone, utilities, and other operating expenditures of the Office. The St. Bernard Parish Government also provides office space to the Office.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the
34th Judicial District,
Chalmette, Louisiana.

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Office of the District Attorney of the 34th Judicial District (the "Office") and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Office's compliance with certain laws and regulations during the year ended December 31, 2013, included in the accompanying Louisiana Attestation Questionnaire. Management of the Office is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable

No expenditures were made for materials and supplies exceeding \$30,000 or public works exceeding \$150,000.

2. Obtain from management a list of the immediate family members of the office as defined by LSA-RS 42: 1101-1124 (the Code of Ethics for Public Officials and Public Employees), and a list of outside business interests of the office, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from the Office in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2) as immediate family members.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original and amended budget.

6. Trace the budget adoption and amendments to the minute book.

The Office does not require board minutes and as a result does not keep board minutes; therefore, this requirement does not apply to this Office.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

There were no instances in which the revenue or expenditure line items exceeded 5% of the final budget amount.

Accounting and Reporting

8. Select six disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for the disbursements and found that the payments were for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

All payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approvals by the Office.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute's book were posted or advertised as required by LSA-RS 42:1 through 42:13 (the open meetings law).

This Office does not require board minutes; therefore this requirement does not apply to the Office.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

Advances and Bonuses

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

As stated in agreed-upon procedure (6) above, there are no minutes. We inspected payroll records for the year and noted no instances which would indicate payments of bonuses, advances, or gifts to employees.

Prior Comments and Recommendations

Our prior year report, dated June 25, 2013, did not include any comments or unresolved matters.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Office and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." The signature is written in a cursive, flowing style.

Certified Public Accountants.

New Orleans, Louisiana,
June 25, 2014.

SCHEDULE OF FINDINGS AND RESPONSES

Office of the District Attorney of the 34th Judicial District

For the year ended December 31, 2013

Section I - Summary of Accountant's Review Report

a) Financial Statements

Type of review report issued: unqualified

Noncompliance material to financial statements noted? ____ Yes X No

b) Federal Awards

The Office of the District Attorney of the 34th Judicial District did not expend federal awards during the year ended December 31, 2013.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings material to the basic financial statements were reported during the review for the year ended December 31, 2013.

Compliance and Other Matters

No compliance and other matters findings material to the basic financial statements were reported during the review for the year ended December 31, 2013.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Office of the District Attorney of the 34th Judicial District

For the year ended December 31, 2013

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings materials to the basic financial statements were reported during the review for the year ended December 31, 2012.

Compliance and Other Matters

12-01 Budget Variance

Recommendation - The Office should monitor its revenues periodically to determine the needs of the Office. The Office's budget should be amended accordingly.

Management's Response - Resolved. The Office investigated the receipts to determine the nature of the receipts and amended the budget accordingly.

Section II - Internal Control and Compliance Material to Federal Awards

The Office of the District Attorney of the 34th Judicial District did not expend federal awards during the year ended December 31, 2012.

Section III - Management Letter

A management letter was not issued in connection with the review of the financial statements for the year ended December 31, 2012.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

_____ (Date Transmitted)

Bourgeois Bennett, L.L.C.
Certified Public Accountants
P.O. Box 60600
New Orleans, LA 70160-0600 (Auditors)

In connection with your review of our financial statements as of December 31, 2013 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 19, 2013.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.
Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.
Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.
Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.
Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.
Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.
Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

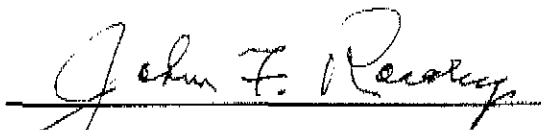
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.



District Attorney

JUN 25 2014

Date